

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 637
Order No. R-432

THE AMENDED APPLICATION OF SKELLY
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER No. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 80 CONTIGUOUS
ACRES CONSISTING OF WEST HALF SOUTH-
WEST ^{Quarter} OF SECTION 25, TOWNSHIP 19 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on January 20, 1954 and on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3)

(a) That applicant, Skelly Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
SW/4 SW/4 of Section 25

containing 40 acres, more or less.

(b) That Amerada Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
NW/4 SW/4 of Section 25

containing 40 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on the aforesaid lease known as Christmas No. 1 located 660' from the South line and 660' from the West line of Section 25, Township 19 South, Range 36 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6)

(a) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 25, Township 19 South, Range 36 East, NMPM, and that the owner of adjoining acreage in said quarter section has not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(b) That Amerada Petroleum Corporation had consented to the formation of the proposed proration unit.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
W/2 SW/4 of Section 25

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Christmas No. 1, located in the SW/4 SW/4 of Section 25, Township 19 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

(S E A L)